

1 LATHAM & WATKINS LLP
2 John P. Flynn (Bar No. 141094)
3 Tracey L. Orick (Bar No. 240904)
4 505 Montgomery Street, Suite 2000
5 San Francisco, California 94111-2562
Telephone: (415) 391-0600
Facsimile: (415) 395-8095
John.Flynn@lw.com
Tracey.Orick@lw.com

6 Attorneys for Defendant
RAE SYSTEMS INC.

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RAE SYSTEMS INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

12 POLIMASTER LTD., NA&SE TRADING
CO., LIMITED,
13 Plaintiffs,

CASE NO. C 05-01887- JF HRL

14

16 Defendant.

~~PROPOSED~~ JUDGMENT

18 On May 9, 2005, Plaintiffs Polimaster Ltd. and NA&SE Trading Co., Limited
19 (“Polimaster”) filed a complaint in this Court against Defendant RAE Systems Inc. (“RAE”),
20 seeking declaratory and injunctive relief based upon alleged breach of contract, misappropriation
21 of trade secrets under Cal. Civ. Code § 3426 *et seq.*, unfair competition under Cal. Bus. & Prof.
22 Code § 17200, and the Federal Arbitration Act, 9 U.S.C. § 2. This Court denied the requested
23 relief by Order dated September 6, 2005.

Pursuant to arbitration provisions in the parties' contracts, the parties arbitrated Polimaster's claims of trade secret misappropriation under Cal. Civ. Code § 3426 *et seq.*, breach of contract, and unfair competition under Cal. Bus. & Prof. Code § 17200 *et seq.*, as well as RAE's counterclaim for breach of contract. The Arbitrator issued an interim award on July 5, 2007, and a final Arbitration Award on September 20, 2007, wherein it was held that Polimaster

1 failed to prove its claims, RAE proved its counterclaim, RAE was deemed the prevailing party,
2 and RAE was awarded damages of \$2,412,432 and costs of \$46,213.15.

3 RAE filed a Notice of Motion and Motion to Confirm Binding Arbitration Award
4 and for Entry of Judgment on Binding Arbitration Award on October 5, 2007. Polimaster filed a
5 Memorandum in Opposition to RAE Systems' Motion to Confirm and Notice of Motion to
6 Vacate on October 17, 2007. This Court held a hearing on December 7, 2007 and issued its
7 Order Confirming the Arbitration Award on February 25, 2008.

8 Therefore, IT IS ADJUDGED that:

9 1. Defendant RAE Systems Inc. is the prevailing party and has judgment against
10 Plaintiffs in this matter;

11 2. Defendant RAE Systems Inc. shall recover from Plaintiffs Polimaster Ltd. and
12 Na&Se Trading Co., Limited pursuant to the Arbitration Award confirmed by this Court on
13 February 25, 2008: damages of \$2,412,432 and costs of \$46,213.15;

14 3. Pursuant to Cal. Civ. Code § 3287(a), RAE Systems recovers post-arbitration
15 award, prejudgment interest at the statutory rate of 10 percent per annum in the amount of
16 [\$330,738.29].

17 4. Pursuant to 28 U.S.C. § 1961, this judgment bears interest at the judgment rate
18 of 0.43 percent per annum from the date it is entered until paid;

19 5. Plaintiffs Polimaster Ltd. and NA&SE Trading Co., Limited take nothing from
20 RAE Systems Inc.

21 6. Any other relief that this Court deems just and proper.

22 Dated: 1/23/09
23



The Honorable Jeremy Fogel
United States District Court Judge